

Service Date: June 22, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of       )  
PACIFIC POWER & LIGHT COMPANY for Au-    ) UTILITY DIVISION  
thority to Adopt New Rates and Charges    ) DOCKET NO. 81.8.70  
for Electric Service Furnished in the    ) ORDER NO. 4881b  
State of Montana)

ORDER UPON MOTION FOR RECONSIDERATION

On June 7, 1982, Pacific Power & Light Company (PP&L) requested the Commission to reconsider Paragraphs 36, 37, 38, 39, 40, 41, 42, 45, 46, 47, 49, 50, 51, 61, 62, 63, 64, 66, 69, 81, 82, 83, 84, 85, 86, 87, 88, 89, and 90; and Ordering Paragraph No. 1 of Order No. 4881a in Docket No. 81.8.70.

PP&L first argued that the provisions of Order No. 4881a enumerated above:

"do not permit the Company to earn the authorized fair rate of return, due to their failure to recognize the earnings attrition which will result from a state historical test period."

The Company's "attrition" argument was fully considered by the Commission prior to the issuance of Order No. 4881a. The Commission finds no merit to the argument and denies reconsideration on that basis.

In its motion PP&L also expressed its concern that the language in Order No. 4881a is not sufficiently explicit to satisfy the requirements of the Economic Recovery Tax Act of 1981 relative to

normalization of Accelerated Cost Recovery System and investment tax credits. The Commission agrees that to the extent any ambiguity exists in this area, clarifying language would be appropriate.

NOW THEREFORE THE COMMISSION ORDERS THAT PP&L's Motion for Reconsideration with respect to the issue of "attrition" is DENIED. Order No. 4881a remains the Commission's final determination in Docket No. 81.8.70 with the addition of the following language:

The Economic Recover Tax Act of 1981 (ERTA) requires ratemaking normalization of Accelerated Cost Recovery System (ACRS) depreciation and investment tax credit on 1981 and subsequent plant additions. Order No. 4881a includes revenues sufficient to provide normalization as required by ERTA for all post-1980 additions to the Company's rate base.

DONE AND DATED this 21st day of June, 1982.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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HOWARD L. ELLIS, Commissioner  
Hearing Officer

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JOHN B. Driscoll, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

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CLYDE JARVIS, Commissioner

ATTEST:

Madeline L. Cottrill  
Commission Secretary  
(SEAL)

NOTE:        You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a rulings on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38.2.4806 ARM.